



Texas Department of Insurance

Division of Workers' Comp

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645

512-804-4000 telephone • 512-804-4811 fax • www.tdi.texas.gov

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name and Address

RIO GRANDE REGIONAL HOSPITAL
3701 KIRBY DRIVE SUITE 1288
HOUSTON TX 77098-3926

Carrier's Austin Representative Box

20

MFDR Date Received

JULY 15, 2009

Respondent Name

DALLAS NATIONAL INSURANCE CO

MFDR Tracking Number

M4-09-A390-01

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary Taken From the Table of Disputed Services: "IC failed to pay per DWC Rule 134.404 Hospital Facility Fee Guideline. Per DWC Rule 134.404, claim pays @ 143% of Medicare allowable"

Amount in Dispute: \$11,939.83

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Carrier sent the bill to its bill review company, ComplIQ, which reviewed and recommended payment of October 1, 2008. ComplIQ used the appropriate codes and fee schedule reductions to reduce the amount paid. Additionally, ComplIQ reduced the bill based on a PPO discount. Apparently, the Requestor has a contract with a First Health owned PPO. Accordingly, ComplIQ made the PPO reductions based upon the PPO network discount."

Response Submitted by: Lewis & Backhaus, PC, 14130 Dallas Parkway 400, Dallas, TX 75254

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
July 16, 2008 Through July 18, 2008	Inpatient Hospital Surgical Services	\$11,939.83	\$11,939.83

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for health care providers to pursue a medical fee dispute.
2. 28 Texas Administrative Code §134.404 sets out the guidelines for reimbursement of hospital facility fees for inpatient services.

3. 28 Texas Administrative Code §134.404(e) states that: "Except as provided in subsection (h) of this section, regardless of billed amount, reimbursement shall be:
 - (1) the amount for the service that is included in a specific fee schedule set in a contract that complies with the requirements of Labor Code §413.011; or
 - (2) if no contracted fee schedule exists that complies with Labor Code §413.011, the maximum allowable reimbursement (MAR) amount under subsection (f) of this section, including any applicable outlier payment amounts and reimbursement for implantables."
 - (3) If no contracted fee schedule exists that complies with Labor Code §413.011, and an amount cannot be determined by application of the formula to calculate the MAR as outlined in subsection (f) of this section, reimbursement shall be determined in accordance with §134.1 of this title (relating to Medical Reimbursement).
4. 28 Texas Administrative Code §134.404(f) states that "The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Inpatient Prospective Payment System (IPPS) reimbursement formula and factors as published annually in the Federal Register. The following minimal modifications shall be applied.
 - (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:
 - (A) 143 percent; unless
 - (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 108 percent."
5. The services in dispute were reduced/denied by the respondent with the following reason codes:

Explanation of benefits dated October 1, 2008

 - Charge exceeds Fee Schedule allowance
 - Reduction is based on the Inpatient Fee Schedule
 - W1– Worker's Compensation State Fee Schedule Adjustment
 - A First Health owned PPO network contract discount was applied. For PPO contract questions, please call (800) 937-6824.
 - Notes: 2 DAY INPATIENT STAY FROM 07/16/08 TO 07/18/08
 - Please identify the supply and submit with a copy of the invoice for our review.
 - Further Information Required

Issues

1. Were the disputed services subject to a specific fee schedule set in a contract between the parties that complies with the requirements of Labor Code §413.011?
2. Can the maximum allowable reimbursement (MAR) amount for the disputed services be determined according to 28 Texas Administrative Code §134.404(f)?
3. Did the facility or a surgical implant provider request separate reimbursement for implantables in accordance with 28 Texas Administrative Code §134.404(g)?
4. Is the requestor entitled to additional reimbursement for the disputed services?

Findings

1. The insurance carrier reduced or denied disputed services with reason "A First Health owned PPO network contract discount was applied. For PPO contract questions, please call (800) 937-6824." Review of the submitted information finds insufficient documentation to support that the disputed services are subject to a contractual agreement between the parties to this dispute. The above denial/reduction reason is not supported. The disputed services will therefore be reviewed for payment in accordance with applicable Division rules and fee guidelines.
2. Review of the submitted documentation finds that the maximum allowable reimbursement (MAR) amount for the disputed services can be determined according to 28 Texas Administrative Code §134.404(f).
3. Review of the submitted documentation finds no request for separate reimbursement of implantables in accordance with 28 Texas Administrative Code §134.404(g). Consequently, reimbursement will be calculated in accordance with division rule at 28 Texas Administrative Code §134.404(f)(1)(A).
4. 28 Texas Administrative Code §134.404(e) states that: "Except as provided in subsection (h) of this section, regardless of billed amount, reimbursement shall be (1) the amount for the service that is included in a specific fee schedule set in a contract that complies with the requirements of Labor Code §413.011." Reimbursement for the disputed services is calculated in accordance with 28 Texas Administrative Code §134.404(f)(1)(A) as

follows: The Medicare facility-specific reimbursement amount including outlier payment amount for DRG 494 is \$9,543.16. This amount multiplied by 143% is \$13,646.72. The total maximum allowable reimbursement (MAR) is therefore \$13,646.72. The respondent previously paid \$1,698.00. This amount less the amount previously paid by the respondent of \$13,646.72 leaves an amount due the requestor of 11,948.72. The requestor's *Table of Disputed Services* lists the total amount in dispute as \$11,939.83. The Division concludes that the requestor is entitled to \$11,939.83, therefore, this amount is recommended for payment.

Conclusion

For the reasons stated above, the division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$11,939.83.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$11,939.83 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

Authorized Signature

_____ Signature	_____ Medical Fee Dispute Resolution Officer	_____ September 6, 2012 Date
_____ Signature	_____ Medical Fee Dispute Resolution Manager	_____ September 6, 2012 Date

YOUR RIGHT TO REQUEST AN APPEAL

Either party to this medical fee dispute may appeal this decision by requesting a contested case hearing. A completed **Request for a Medical Contested Case Hearing** (form **DWC045A**) must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision* together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party.****

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.